

STATE RISK MANAGEMENT FUND
INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 28, 2003

| | February-03 | | | | January-03 | | | | December-02 | | | | September-02 | | | | Current Fiscal YTD | Prior Year FY02 | 3 Years Ended 6/30/2002 | 5 Years Ended 6/30/2002 |
|--|------------------|----------------|----------------|---------------|------------------|----------------|----------------|---------------|------------------|----------------|----------------|-----------------|------------------|----------------|----------------|-----------------|--------------------|-----------------|-------------------------|-------------------------|
| | Allocation | | | | Allocation | | | | Allocation | | | | Allocation | | | | | | | |
| | Market Value | Actual | Policy | Net ROR | Market Value | Actual | Policy | Net ROR | Market Value | Actual | Policy | Quarter Net ROR | Market Value | Actual | Policy | Quarter Net ROR | Net | Net | Net | Net |
| LARGE CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | |
| <i>Structured Growth</i> | | | | | | | | | | | | | | | | | | | | |
| AllianceBernstein | 62,356 | 2.2% | 2.3% | -0.87% | 52,697 | 1.8% | 2.3% | -2.36% | 53,956 | 1.9% | 2.3% | 2.89% | 52,431 | 1.9% | 2.3% | -13.54% | -13.90% | -28.65% | -16.80% | N/A |
| Russell 1000 Growth | | | | -0.46% | | | | -2.43% | | | | 7.15% | | | | -15.05% | -11.59% | -26.49% | -16.15% | N/A |
| <i>Structured Value</i> | | | | | | | | | | | | | | | | | | | | |
| LSV | 57,044 | 2.0% | 2.3% | -3.15% | 58,917 | 2.1% | 2.3% | -2.66% | 60,515 | 2.1% | 2.3% | 6.53% | 56,818 | 2.1% | 2.3% | -18.60% | -18.25% | 2.41% | 5.40% | N/A |
| Russell 1000 Value | | | | -2.67% | | | | -2.42% | | | | 9.22% | | | | -18.77% | -15.74% | -8.96% | -2.92% | N/A |
| <i>S&P 500 Index</i> | | | | | | | | | | | | | | | | | | | | |
| State Street | 270,544 | 9.4% | 10.5% | -1.50% | 274,473 | 9.6% | 10.5% | -2.62% | 281,869 | 9.9% | 10.5% | 8.41% | 259,992 | 9.4% | 10.5% | -17.26% | -13.96% | -18.03% | -9.27% | 3.58% |
| S&P 500 | | | | -1.50% | | | | -2.62% | | | | 8.44% | | | | -17.28% | -13.96% | -17.99% | -9.18% | 3.67% |
| TOTAL LARGE CAP DOMESTIC EQUITY | 389,944 | 13.6% | 15.0% | -1.67% | 386,087 | 13.5% | 15.0% | -2.60% | 396,340 | 13.9% | 15.0% | 7.34% | 369,241 | 13.4% | 15.0% | -16.96% | -14.62% | -16.89% | -8.30% | 3.74% |
| S&P 500 | | | | -1.50% | | | | -2.62% | | | | 8.44% | | | | -17.28% | -13.96% | -17.99% | -9.18% | 3.67% |
| SMALL CAP DOMESTIC EQUITY | | | | | | | | | | | | | | | | | | | | |
| <i>Manager-of-Managers</i> | | | | | | | | | | | | | | | | | | | | |
| SEI | 128,028 | 4.5% | 5.0% | -2.85% | 131,834 | 4.6% | 5.0% | -2.62% | 135,346 | 4.7% | 5.0% | 4.91% | 129,017 | 4.7% | 5.0% | -19.31% | -19.91% | -11.77% | N/A | N/A |
| Russell 2000 + 200bp | | | | -2.85% | | | | -2.60% | | | | 6.68% | | | | -20.97% | -20.22% | -7.96% | N/A | N/A |
| TOTAL SMALL CAP DOMESTIC EQUITY | 128,028 | 4.5% | 5.0% | -2.85% | 131,834 | 4.6% | 5.0% | -2.62% | 135,346 | 4.7% | 5.0% | 4.91% | 129,017 | 4.7% | 5.0% | -19.31% | -19.91% | -11.69% | 2.22% | 4.32% |
| Russell 2000 | | | | -3.02% | | | | -2.77% | | | | 6.16% | | | | -21.40% | -21.31% | -8.59% | 1.67% | 4.44% |
| CONVERTIBLES | | | | | | | | | | | | | | | | | | | | |
| TCW | 288,308 | 10.1% | 10.0% | -1.58% | 293,000 | 10.3% | 10.0% | 1.33% | 289,079 | 10.1% | 10.0% | 8.15% | 267,292 | 9.7% | 10.0% | -10.05% | -2.98% | -20.37% | -2.22% | N/A |
| First Boston Convertible Index | | | | 0.17% | | | | 2.58% | | | | 9.83% | | | | -8.47% | 3.29% | -12.44% | 0.11% | N/A |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | | | | | | | | |
| <i>Large Cap - Active</i> | | | | | | | | | | | | | | | | | | | | |
| Capital Guardian | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | N/A | -12.10% | -2.96% | 2.87% |
| MSCI EAFE - 50% Hedged | | | | N/A | | | | N/A | | | | N/A | | | | N/A | N/A | -14.62% | -7.32% | -1.89% |
| <i>Small Cap - Value</i> | | | | | | | | | | | | | | | | | | | | |
| Lazard | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | N/A | N/A | N/A | N/A |
| SSB BROAD MARKET INDEX < \$2BN | | | | N/A | | | | N/A | | | | N/A | | | | N/A | N/A | N/A | N/A | N/A |
| TOTAL INTERNATIONAL EQUITY | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | N/A | -12.10% | -2.96% | 2.87% |
| MSCI EAFE - 50% Hedged | | | | N/A | | | | N/A | | | | N/A | | | | N/A | N/A | -14.62% | -7.32% | -1.89% |
| DOMESTIC FIXED INCOME | | | | | | | | | | | | | | | | | | | | |
| <i>Core Bond</i> | | | | | | | | | | | | | | | | | | | | |
| Western Asset | 760,772 | 26.6% | 25.0% | 1.55% | 771,943 | 27.0% | 25.0% | 0.85% | 763,992 | 26.8% | 25.0% | 2.96% | 733,279 | 26.6% | 25.0% | 3.51% | 9.15% | 8.36% | 8.53% | 7.80% |
| Lehman Aggregate | | | | 1.38% | | | | 0.09% | | | | 1.57% | | | | 4.58% | 7.78% | 8.62% | 8.10% | 7.57% |
| <i>Index</i> | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 411,283 | 14.4% | 15.0% | 1.75% | 405,513 | 14.2% | 15.0% | 0.04% | 405,275 | 14.2% | 15.0% | 1.65% | 410,753 | 14.9% | 15.0% | 5.96% | 9.62% | 8.38% | 7.79% | 7.42% |
| Bank of ND CD'S | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | - | 0.0% | 0.0% | N/A | N/A | 5.04% | 5.55% | 5.48% |
| Total Index | 411,283 | 14.4% | 15.0% | 1.75% | 405,513 | 14.2% | 15.0% | 0.04% | 405,275 | 14.2% | 15.0% | 1.65% | 410,753 | 14.9% | 15.0% | 5.96% | 9.62% | 8.14% | 7.66% | 7.30% |
| Lehman Gov/Credit | | | | 1.78% | | | | 0.00% | | | | 1.73% | | | | 5.70% | 9.43% | 8.24% | 7.86% | 7.47% |
| <i>BBB Average Quality</i> | | | | | | | | | | | | | | | | | | | | |
| Strong | 314,239 | 11.0% | 10.0% | 2.42% | 308,584 | 10.8% | 10.0% | 0.36% | 307,316 | 10.8% | 10.0% | 4.48% | 290,730 | 10.6% | 10.0% | 3.08% | 10.70% | N/A | N/A | N/A |
| Lehman US Credit BAA | | | | 2.28% | | | | 0.54% | | | | 4.59% | | | | 2.70% | 10.46% | N/A | N/A | N/A |
| TOTAL DOMESTIC FIXED INCOME | 1,486,293 | 51.9% | 50.0% | 1.79% | 1,486,040 | 52.1% | 50.0% | 0.53% | 1,476,583 | 51.7% | 50.0% | 2.89% | 1,434,763 | 52.1% | 50.0% | 4.11% | 9.61% | 7.55% | 7.88% | 7.42% |
| Lehman Gov/Credit | | | | 1.78% | | | | 0.00% | | | | 1.73% | | | | 5.70% | 9.43% | 8.24% | 7.86% | 7.47% |
| CASH EQUIVALENTS | | | | | | | | | | | | | | | | | | | | |
| Bank of ND | 572,664 | 20.0% | 20.0% | 0.11% | 557,128 | 19.5% | 20.0% | 0.12% | 556,615 | 19.5% | 20.0% | 0.41% | 554,810 | 20.1% | 20.0% | 0.48% | 1.13% | 2.41% | 4.76% | 4.99% |
| 90 Day T-Bill | | | | 0.09% | | | | 0.10% | | | | 0.43% | | | | 0.45% | 1.07% | 2.63% | 4.68% | 4.84% |
| TOTAL RISK MANAGEMENT FUND | 2,865,238 | 100.00% | 100.00% | 0.43% | 2,854,088 | 100.00% | 100.00% | -0.05% | 2,853,964 | 100.00% | 100.00% | 3.59% | 2,755,122 | 100.00% | 100.00% | -2.34% | 1.56% | -2.68% | 0.05% | 3.24% |
| POLICY TARGET BENCHMARK | | | | 0.55% | | | | -0.26% | | | | 3.61% | | | | -1.82% | 2.03% | 0.31% | 1.44% | 4.45% |

NOTE: Monthly returns and market values are preliminary and subject to change.